

BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF DELAWARE

IN THE MATTER OF THE APPLICATION)
OF DELMARVA POWER & LIGHT COMPANY)
TO REVISE A UTILITY FACILITY)
RELOCATION CHARGE ("UFRC") RATE) PSC DOCKET NO. 17-0401
TO RECOVER COSTS INCURRED IN)
CONNECTION WITH THE RELOCATION OF)
ELECTRIC UTILITY FACILITIES)
(FILED May 31, 2017))

ORDER NO. 9078

This 20th day of June, 2017, the Public Service Commission of Delaware (the "Commission") determines and orders the following:

WHEREAS, on May 31, 2017, Delmarva Power & Light Company ("Delmarva") filed an application (the "Application") seeking approval, pursuant to 26 Del. C. §315 and 26 Del. Admin. C. §1009, to establish the rate for the Utility Facility Relocation Charge ("UFRC") to recover certain incurred costs related to the relocation of electric facilities as required or necessitated by Department of Transportation or other governmental agency projects; and

WHEREAS, the Application also included language changes to Tariff First Leaf No. 118 B. and First Leaf No. 119 D. 4. which added the language "base rate" to "Customer charge" to clarify that the rate is applicable only to the portion of the Customer's base rate charges¹; and

¹ 26 Del. C. §315 (b) "Notwithstanding other sections of this subchapter, electric and natural gas utilities subject to the regulation of the Public Service Commission under this title may file with the Commission rate schedules establishing a UFRC rate that will allow for the automatic adjustment of the electric or natural gas utility's basic rates and charges to provide recovery of UFRC costs on an annual basis."

WHEREAS, the Application requested a UFRC rate of 0.02% (the "UFRC Rate") to become effective on July 1, 2017.² The requested UFRC Rate is based on total net utility plant additions of \$1,562,115.71 and a semi-annual depreciation expense of \$6,744.56; and

WHEREAS, Staff has reviewed the Application to ensure compliance with the provisions of 26 Del. C. §§314 and 315 and 26 Del. Admin. C. §1009, could not identify any defects, and has determined that the requested UFRC Rate is less than a 5% increase in current rates;³ and

WHEREAS, Staff recommends that the Commission not specifically approve the requested UFRC rate but rather allow the UFRC Rate to go into effect on July 1, 2017, subject to review, audit, and an annual reconciliation (the "Audit") of all of the items Delmarva listed on Exhibit "A" of the Application that were included in the calculation of the requested UFRC Rate; and

WHEREAS, the Division of the Public Advocate ("DPA") has requested that he and his staff be included in the Audit; and

WHEREAS, On May 31, 2017, Staff began the Annual Reconciliation and Audit with Delmarva to discuss and compile the

²This is Delmarva's fourth application for approval of a UFRC Electric Rate since the regulations were implemented. The Commission issued its final order in PSC Docket No. 16-0649; Delmarva's most recently approved electric base rate case. Delmarva seeks to recover UFRC costs incurred from November 1, 2016 through April 30, 2017. See Exhibit "A" of Application.

³ Under 26 Del. C. §§314(b)(7) and 315(c), the UFRC Rate increase shall not exceed 5% within any 12-month period and the level of increase permitted under §314(b)(7) is limited to 7.5% of the portion of the customer's charge related to the delivery or distribution of electric.

documentation that Staff deemed necessary to complete the audit of the UFRC including utility plant additions and calculations for the revenues received in Docket No. 15-1603, and the utility plant additions and revenues received in Docket No. 16-0671; and

WHEREAS, Staff further recommends that if the Audit reflects that the requested UFRC Rate was improperly calculated, the Commission properly revise the requested UFRC Rate and provide an appropriate remedy for any UFRC charges improperly collected;

**NOW, THEREFORE, IT IS HEREBY ORDERED BY THE AFFIRMATIVE
VOTE OF NOT FEWER THAN THREE COMMISSIONERS:**

1. Pursuant to 26 Del. C. §§314 and 315 and 26 Del. Admin. C. §1009, the Commission will allow the requested UFRC Rate of 0.02% to go into effect on July 1, 2017, subject to the Audit and our final approval.⁴ Staff and the DPA shall coordinate with Delmarva in the conduct of the Audit.

2. The Commission will also allow the language change to the tariff Leaf No. 118 B. and Leaf No. 119 D. 4. which added the words "base rate" to the "Customer's charge" to read "Customer's base rate charges".

3. If the Commission finds that the UFRC Rate does not comply, in whole or in part, with the statutory prerequisites or was improperly calculated, the Commission may revise the UFRC Rate and provide an appropriate remedy for any UFRC charges improperly collected. Delmarva is thus put on notice that it may

⁴ Consistent with our DSIC orders, we do not specifically approve this UFRC Rate, but rather will rely on the Audit to ensure compliance with all applicable laws and regulations.

be obligated to refund or reimburse its customers in such a situation.

4. Pursuant to 26 Del. C. §§314(b)(8) and 315(c), the Commission reserves jurisdiction and authority to conduct the Audit.

5. Pursuant to 26 Del. C. §§314(b)(1) and 315(c), Delmarva shall provide information to its customers concerning the UFRC Rate.

6. Delmarva is hereby notified that it will be assessed the costs of this proceeding pursuant to 26 Del. C. §114(b).

7. The Commission reserves the jurisdiction and authority to enter such further orders in this matter as may be deemed necessary or proper.

BY ORDER OF THE COMMISSION:

Chair

Commissioner

Commissioner

Commissioner

Commissioner

ATTEST:

Secretary